

No. 6/38/DASP

Jakarta, 16 September 2004

CIRCULAR LETTER

To

ALL COMMERCIAL BANKS AND
COURIER SERVICE COMPANIES IN INDONESIA

Subject: Use of Courier Service Companies and Identification Tags in Local
Clearing Process

According to Bank Indonesia Regulation No.1/3/PBI/1999 concerning Local Clearing Process and Final Settlement on Inter Bank Payment Transactions on Local Clearing Result (State Gazette of Republic of Indonesia Year 1999 No. 139, Supplement to State Gazette of Republic of Indonesia No. 3873) as amended by Bank Indonesia Regulation No.2/14/PBI/2000 concerning Second Amendment to Bank Indonesia Regulation No. 1/3/PBI/1999 concerning Local Clearing Process and Final Settlement on Inter Bank Payment Transactions on Local Clearing Result (State Gazette Of Republic of Indonesia Year 2000 No. 88) which *inter alia* stipulates that in Local Clearing process a Participant is obligated to appoint a Clearing officer to represent the Participant in performing Local Clearing activities. Further, the elucidation to Article 19 letter d of the aforementioned Bank Indonesia Regulation stipulates that a Clearing officer is a Participant's officer who may be an internal bank officer and or a Courier Service Company officer who has received a delegation of power or a certain authority to represent the Participant in Local Clearing Process.

With regard to that, it is considered necessary to further regulate the use of Courier Service Officers as Clearing officers and the use of identification tags for Clearing officers in manual, semi automated, automated, and electronic Clearing in a Bank Indonesia Circular Letter as follows:

I. GENERAL PROVISIONS

The following terms used in this Circular Letter shall have the following meanings:

1. Courier Service Company is a legal entity which provides product/goods and document delivery services.
2. Clearing officer is Participant's officer who may be an Internal Bank Officer or a Courier Service Company's officer who received a delegation of power or a certain authority by the Participant to represent the concerned Participant in Clearing activities.
3. Internal Bank Officer is an employee of Participant who has been appointed by the Participant to represent the concerned Participant in Local Clearing activities.
4. Courier Service Officer is an employee of a Courier Service Company who has been appointed by the Courier Service Company authorized by Participant to represent the concerned Participant in the automated and electronic Local Clearing Process.
5. Identification Tag In The Implementation of Local Clearing hereinafter referred to as Identification Tag is an identity which must be used by Clearing Officers participating in Local Clearing Process, which consists of Clearing

Officer Identification Tag and Clearing Participant's Representative Identification Tag.

6. Clearing Officer Identification Tag hereinafter referred to as TPPK (Tanda Pengenal Peserta Kliring) is an identity which must be used by Clearing Officers in automated and electronic Local Clearing activities.
7. Clearing Participant's Representative Identification Tag hereinafter called TPWPK (Tanda Pengenal Wakil Peserta Kliring) is an identity which must be used by Participant's Representatives in manual and semi automated Local Clearing meetings.
8. TPPK Proximity is a TPPK which may be used to access the Clearing room in Local Clearing Organization which has applied an integrated electronic security system.
9. TPWPK Proximity is a TPWPK which may be used to access the Clearing room in Local Clearing Organization which has applied an integrated electronic security system.
10. Bundle of Clearing Papers (Bundel Warkat Kliring) hereinafter called Document Bundle is a set of Documents containing a certain number of sheets and nominal value and accompanied by Clearing Papers (Dokumen Kliring).

II. THE USE OF COURIER SERVICE COMPANY

A. Scope of Activity

1. Participant's activities that may be delegated to a Courier Service Company are activities in automated and electronic Local Clearing Organization.
2. Activities as referred to in point 1 include :

- a. delivery of Debit Documents Bundles (Bundel Warkat Debet) and or Credit Documents Bundles (Bundel Warkat Kredit);
 - b. receipt of Proof of Delivery of Debit Documents (BPWD) and or Proof of Delivery of Credit Documents (BPWK);
 - c. receipt of Documents and reports of Clearing result;
 - d. delivery and receipt of media of data record; and
 - e. receipt of notifications and non confidential letters from Organizer.
3. Activities involving attachment of signatures, Clearing Stamps, and stating of information using Magnetic Ink Character Recognition (MICR) on Documents (Warkat) and Clearing Papers may not be performed by a Courier Service Company Officer.

B. Requirements in using a Courier Service Company

1. The use of a Courier Service Company should consider such factors as efficiency, security, and speed of delivery of Document Bundles without reducing Bank's customer service hours.
2. In the event that a Participant uses a Courier Service Company, the whole activities mentioned in point A.2 should be performed by the Courier Service Officer except if any of the following situations occurs:
 - a. labor strike in the Courier Service Company;
 - b. natural disaster;
 - c. fire;
 - d. sabotage; and or

- e. other situations which according to Organizer's consideration have prevented the Courier Service Company from performing their obligations.

In the event that a situation mentioned in document a to e occurs, activities in point A.2 shall be performed by an Internal Bank Officer.

- 3. In the event that a situation in point 2 occurs, the Internal Bank Officer should deliver a notification letter to Organizer not later than at the time of Document Bundle delivery. The notification letter must be signed by the head of the Participant's office and must state the reasons and the name of the Internal Bank Officer appointed to perform activities referred to in point A.2 together with the employee photo ID card.
- 4. In the event that in a Clearing area a Bank has more than one office participating in Clearing, then all the participating offices must use a courier Service Company. In regard to this, the courier Service Company used must be the same company.

C. Requirements for A Courier Service Company

A Courier Service Company that may be appointed by a Participant must be a Limited Liability Company registered in the ministry of trade and industry as a courier Service Company as may be proven by a valid Company Registration ID ("Tanda Daftar Perusahaan ").

D. Procedures In Using A Courier Service Company

1. Use of a Courier Service Company must be based on an agreement between the Participant and the Courier Service Company, which at least include the following stipulations:
 - a. Obligation of the Courier Service Officer to check whether the number of Participant's Debit and or Credit Document Bundle given to Organizer is equal to the number of sheets of the Participant's BPWD and or BPWK received back from Organizer.
 - b. Obligation of the Courier Service Company to take prevention measures against the possibility of abuses or mistakes that may cause a loss to Participant, Customers, or even community directly or indirectly.
 - c. Obligation of the Courier Service Company to consider security aspects in the packaging of Document Bundle, Documents (Warkat,) and Clearing Result Report.
 - d. Delegation of power from the Participant to the Courier Service Company to perform activities set forth in point A.2 above .
2. Appointment and or replacement of the Courier Service Company must be informed to Organizer not later than 7 (seven) working days before the effective date of use of the Courier Service Company by attaching a photocopy of the agreement referred to in point 1. The information need only be provided by one of the Participant or by the head office of the Participant.

E. Participant's Obligations

1. Before submitting the Document Bundle to the Courier Service Officer, the Participant must filled out all information on the Documents (Warkat) and Clearing Papers as set forth in the Circular Letter regarding the Organization of Automated and Electronic Local Clearing.
2. Participant shall be responsible for the results of all violations made by the Courier Service Officer.
3. Participant must submit a written report to Organizer not later than 30 (thirty) calendar days after the date of such violation by Courier Service Officer, including measures already taken to handle the problem, and the Participant shall be obliged to provide information if asked by Organizer.
4. Participant must direct the Courier Service Officer to comply with all rules and regulations when they are in the clearing location. In the event that a Courier Service Officer violates any rules and or regulations, Organizer may request the Participant to replace the concerned Courier Service Officer.

III. IDENTITY CARD

A. Use of Identity Card

1. Clearing Officers may only use the Identity Card given by Organizer.
2. Clearing Officers are obliged to use the Identity Card and Employee Picture ID Card whenever they are in the clearing room and in Organizer's office complex.
3. Clearing Officers are obliged to show a valid TPPK when performing activities referred to in point II.A.2.

4. Clearing Officers are responsible for the use of their Identity Cards.

B. Production Cost of Identity Card

Participants will be charged for the production cost of the Identity Card the amount of which will be in accordance to Bank Indonesia Circular Letter regarding Clearing Fees.

C. Identity Card Request Procedures

1. TPPK

a. TPPK for Internal Bank Officers

1) Participant will automatically receive a TPPK for Internal Bank Officer if the application to become a Participant in the automated or electronic Clearing process has been approved by Organizer, unless if at the beginning the Participant has informed their intention to use a courier Service Company.

2) Procedures in giving TPPK to Participant are as follows :

a) For automated local clearing Participants, TPPK may only be given to Direct Participants' offices, and each Participant will receive 2 (two) units of TPPK .

b) For electronic local clearing Participants, TPPK will be given to Direct Active Participants (PLA) and Direct Passive Participants (PLP) and each Participant will receive 2 (two) units of TPPK.

b. TPPK for Courier Service Companies .

TPPK request for Courier Service Companies shall use the following procedures:

- 1) For Banks which have already been Participants, TPPK request shall be submitted in writing to Organizer together with the notification appointment of such Courier Service Company as referred to in point II.D.2.
 - 2) For Banks which have not been Participants, TPPK request may be submitted together with the request to become Participants. If a Bank has more than one Participants, the request need only be submitted by one of the Participant or by the Head Office of the Participant.
 - 3) For bank office intending to be a Participant in a certain Clearing Area wherein no other offices of the same bank has become a Participant, the request for TPPK for courier Service Company shall follow the procedure in point 2).
 - 4) Each Courier Service Company may only possess a maximum of 3 (three) units of TPPK from each Bank.
 - 5) TPPK referred to in point 4) shall be issued by Organizer to each Participant.
 - 6) Effective usage date of TPPK as referred to in point 4) shall start at the time the Courier Service Company commences the activities as set forth point II.A.2.
- c. In the event that a Participant who already possesses a TPPK appoints a Courier Service Company, the concerned Participant must return the TPPK to Organizer on the date of use of the Courier Service Company. Organizer will not issue a new TPPK (for the Courier Service Company) until the previous TPPK (for Internal Bank Officer) have been returned.

- d. Participant who lost either TPPK for Internal Bank Officer or TPPK for a Courier Service Company must report such lost to Organizer by enclosing a police statement regarding the lost to get a replacement. Organizer will issue a new TPPK to the Participant not later than 3 (three) working days after the request and all required documentation has been received.
- e. In the event that TPPK for Internal Bank Officer or Courier Service Officer is damaged, Participant may submit a request for replacement in writing. Organizer will issue a new TPPK to the Participant not later than 3 (three) working days after the request and all required documentation has been received. Organizer will not issue a new TPPK before the damaged TPPK has been returned.
- f. Before the TPPK as referred in letter d and e above has been replaced, Clearing Officer may perform the activities as set forth in point II.A.2 by bringing a copy of the request legalized by Organizer.

2. TPWPK

- a. Participant will automatically receive TPWPK if the request to be a Direct Participant in manual and semi automated Clearing Organization has been approved by Organizer.
- b. In the event of replacement or addition to Participant's representative, the issuance of TPWPK will be made after a written confirmation from Organizer.

- c. Every Direct Participant will receive TPWPK as many as the number of Participant's representatives registered to the Organizer. The number of registered representatives shall be no less than 2 (two) persons.
- d. In the event that TPWPK has been lost, the Participant will be obliged to apply for a replacement of TPWPK to Organizer by attaching 2 (two) 2x3 cm photos and a police statement regarding the lost. Organizer will issue a new TPWPK to the Participant not later than 3 (three) working days after the request has been received complete with required documentation.
- e. In the event that TPWPK has been damaged, Participant may apply for a replacement in writing to Organizer by attaching the damaged TPWPK and 2 (two) 2x3 cm photos. Organizer will issue a new TPWPK to Participant not later than 3 (three) working days after the request has been received complete with required documentation. Organizer will not issue a new TPWPK until the damaged TPWPK has been returned.
- f. Before the TPWPK as referred in letter d and e has been replaced, the concerned Participant's Representative may participate in clearing meetings by bringing a copy of the request legalized by Organizer.

IV. Identity Card Specification.

Specification of Identity Cards including types, information contained therein and forms will be decided by Organizer with consideration to the following:

1. TPPK

- a. Types of TPPK are as follows:

1) TPPK *Proximity*

2) TPPK without *Proximity*

b. Information contained in the TPPK

- 1) TPPK for Internal Bank Officers contains Organizer's name, Participant's name, office status, code number of the Clearing Participant. Specifically for Electronic Clearing, the status of Participant must also be specified.
- 2) TPPK for Courier Service Companies contains Organizer's name, name of Courier Service Company, Participant's name, and the first 3 digits of the code number of the clearing Participant represented.
- 3) On the back of TPPK, the name and signature of the Organizer's official shall be stated.

c. Forms of TPPK are as follows :

- 1) TPPK *Proximity* is vertical
- 2) TPPK without *Proximity* is horizontal.

2. TPWPK

a. Types of TPWPK are as follows :

- 1) TPWPK *Proximity*.
- 2) TPWPK without *Proximity*.

b. Information contained in the TPWPK

- 1) TPWPK contains Organizer's name, Participant's name, and name of Participant's Representative.
- 2) On the TPWPK a photo of the Participant's Representative shall be attached.

- 3) On the back of TPWPK, the registration number, Participant's address, name and signature of Organizer Officials and name and signature of Participant's Representative shall be provided.

Sample forms and information contained in TPPK are available in appendix 1 while sample forms and information contained in TPWPK are available in appendix 2. In case of changes in the identity card, Organizer will inform such changes in writing to all Participants by way of an announcement.

V. SANCTIONS

1. Organizer shall forbid a Clearing Officer from performing activities as set forth in point II.A.2 above if :
 - a. The Clearing Officer is unable to show TPPK as referred to in point III.
 - b. Participant does not or has not reported the use of the Courier Service Company to Organizer but has used the Courier Service Company to perform the activities.
2. Organizer shall issue a written warning to Participant if Participant's Representative does not wear TPWPK and photo ID card whenever he/she is in the clearing room and in the Organizer's office complex.
3. In the event that the warning referred to in point 2 has not been noticed, Organizer shall impose a penalty in the following form :
 - a. Prohibition from giving Document Record to Organizer;
 - b. Prohibition from giving Documents to other Participants while still obligating to accept Documents from other Participants.

4. In the event that Participant does not comply with the provision set forth in point II.E.3, Organizer will impose a sanction in the form of a written warning to the Participant.
5. In the event that Participant does not comply with Organizer's request to replace a Courier Officer as referred to in point II.E.4, Organizer may prohibit such Courier Officer from performing activities as set forth in point II.A.2. Thereafter, the activities shall be performed by an Internal Bank Officer.

VI. OTHER PROVISIONS

1. To promote the smoothness of Clearing process, Participant shall pay attention to the time spent in inward clearing process, so in case of incomplete Documents and or Clearing Papers, the Clearing Officer may be able to settle things within the specified time limit.
2. For the security and effectiveness in the use of a Clearing Service Company, Participant must consider the number of other Participants who are clients of the Courier Service Company as well as the credibility of the company and its management.
3. Addresses for submission of Identity Tag request letter are as follows :
 - a. For Clearing Participants in Jakarta Local Clearing Area, the request shall be addressed to:

Bank Indonesia
Attn. Bagian Kliring Jakarta
Jl. MH Thamrin No. 2, Jakarta

- b. For Clearing Participants in Bank Indonesia Offices Local Clearing Areas, the request shall be addressed to the relevant Bank Indonesia Office.
- c. For Clearing Participants in areas with no Bank Indonesia Office, the request shall be addressed to the office of an Organizer that has been approved by Bank Indonesia to organize Local Clearing.

VII. CLOSING PROVISIONS

With the effectiveness of this Bank Indonesia Circular Letter :

- 1. Point III.B concerning TPWPK in Bank Indonesia Circular Letter Number 2/7/DASP dated 24 February 2000 regarding Manual Local Clearing Organization;
- 2. Point III.B concerning TPWPK in Bank Indonesia Circular Letter Number 2/8/DASP dated 4 May 2000 regarding Semi Automated Local Clearing Organization;
- 3. Bank Indonesia Circular Letter Number 3/28/DASP dated 12 December 2001 regarding Use of Courier Service and TPPK in Automated and Electronic Clearing Organization;
- 4. Bank Indonesia Circular Letter Number 4/8/DASP dated 13 May 2002 regarding Use of Courier Service and TPPK in Automated and Electronic Clearing Organization;

are declared no longer valid.

Provisions in this Bank Indonesia Circular Letter shall come into effect as of 16 September 2004.

For the public to be informed, it is ordered that this Circular Letter be promulgated by placing it in the State Gazette of the Republic of Indonesia.

Please be informed accordingly.

BANK INDONESIA,

MOHAMAD ISHAK
DIRECTOR OF ACCOUNTING
AND PAYMENT SYSTEM